



BOARD OF GOVERNORS

POLICY AND RESOURCES COMMITTEE

TERMS OF REFERENCE

1.0 PURPOSE

- 1.1 The Committee shall determine or advise the Corporation on such matters relating to employment policy and finance as the Corporation may remit to them as shown in below

2.0 POWERS AND DUTIES

2.1 Employment Policy and Resources

- 2.1.1 To advise the Corporation on the **framework** for the pay and conditions of staff [other than the remuneration of holders of senior posts].
- 2.1.2 To determine or advise the Corporation on such employment policy matters as may be remitted by the Corporation.

2.2 Financial Policy and Resources

- 2.2.1 To consider and guide the strategic financial planning of the College subject to the final approval of the Corporation.
- 2.2.2 To review planning and budget proposals made by the Principal prior to the approval of the annual estimates of income and expenditure by the Corporation.
- 2.2.3 To receive a monthly monitoring statement to each meeting of the Committee for income and expenditure.
- 2.2.4 To review the College's financial regulations and to make recommendations to the Corporation concerning any proposed changes.
- 2.2.5 To advise the Corporation on the tuition and other fees payable to the Corporation.
- 2.2.6 To receive and consider proposals from the Principal relating to premises and land (e.g. capital development programmes, repair and maintenance programmes).
- 2.2.7 To approve capital expenditure within the terms of delegation for major capital projects as set out in Appendix A
- 2.2.8 To review the Treasury Management matters for the College.
- 2.2.9 To review arrangements for securing value for money, solvency and safeguarding of assets.

2.2.10 To advise on other matters relating to financial policy as delegated by the Corporation, and to consider proposals made on these matters by the Principal.

2.3 To review risks allocated to the Committee under the Colleges Risk Management Framework

3.0 MEMBERSHIP

3.1 The Committee shall consist of six members appointed from members of the Corporation. There is provision for 2 Co-opted members if required.

3.2 Audit Committee members are not eligible to serve on this Committee.

3.3 Members shall be appointed annually by the Chair of the Corporation, in consultation with the Vice-Chair and the Principal, and shall be eligible for re-appointment.

4.0 CHAIR AND VICE-CHAIR

4.1 At the first meeting of the yearly Committee cycle, the Committee shall appoint a Chair and Vice-Chair from amongst its members.

5.0 QUORUM

5.1 Meetings of the Committee shall be quorate if three or more members are present.

6.0 PROCEEDINGS OF MEETINGS

6.1 The frequency of meetings shall be determined by the business to be dealt with by the Committee and shall have due regard to the planning and budgeting cycle and to current employment issues. It is envisaged that the Committee shall meet at least once in every academic term and additional meetings called by the Chair of the Committee.

6.2 A meeting session shall not normally exceed two hours; reconvening meetings shall be at the discretion of the majority of the members present at the meeting.

6.3 If for lack of quorum a meeting cannot be held or, as the case may be, cannot continue, the meeting is to reconvene within 14 days.

6.4 The Clerk to the Corporation shall be Secretary to the Committee.

6.5 Appropriate College officers may be requested to attend meetings for the purpose of giving information and advice but will not have voting powers.

6.6 Every question to be decided at a meeting shall be determined by a majority of votes of the members present and voting on the question. Where there is an equal division of votes the Chairman of the meeting shall have a second or casting vote.

6.7 Meetings will be open to the public to attend by application to the Clerk or Chair at least four days before the meeting, subject to the requirements of necessary confidentiality.

7.0 MINUTES

7.1 Meetings of the Committee will be clerked by the Clerk to the Corporation, who will maintain a permanent record of the minutes and proceedings of meetings.

8.0 REPORTING

8.1 The Policy & Resources Committee will report to the full Board of the Corporation.

9.0 TERMS OF REFERENCE

9.1 The Review of the Terms of Reference will be every 2 years or earlier as required.



POWERS OF DELEGATION FROM THE BOARD TO THE POLICY AND RESOURCES COMMITTEE FOR MAJOR CAPITAL PROJECTS

1.0 BACKGROUND

- 1.1 The College's Financial Regulations approved by the Board set out limits for the authorising of expenditure. In normal circumstances the Financial Regulations require that expenditure up to £100,000 can be authorised by the Principal, from £100,000 to £200,000 by the Policy & Resources Committee and over £200,000 by the full Board.
- 1.2 However, based on the College's previous experience of major capital projects, in order to maintain the College's momentum for progressing them, more frequent decisions about expenditure need to be made than would be feasible if the power of decision was retained by the Board. As such, the Board has agreed powers of delegation to the Policy and Resources Committee as set out below.

2.0 TERMS OF DELEGATION FROM THE BOARD TO THE POLICY AND RESOURCES COMMITTEE

- 2.1. The Board will delegate authority to the Policy and Resources Committee such that the Committee shall incur expenditure on the Capital Project on behalf of the Board within the total projected costs that have previously been approved by the Board. This will be subject to possible variation of up to 10% of the approved budget for each budget area within the Capital Project, provided the total projected costs do not exceed those approved by the Board.
- 2.2. Approval will not be required from the Committee for elements that fall within the delegated powers of the Principal (up to £100,000) unless these will lead to an overall overspend for the Project compared with the budget approved by the Board. If total projected costs do exceed these, then additional approval will be required from the Board.
- 2.3. The Policy and Resources Committee will receive regular updates on the progress of the Project against the Project Plan and updated expenditure estimates against previous approvals. The delegated authority will be reviewed annually during the life of the Project.
- 2.4. Some examples are given below to clarify this delegation:-

Scenario: The Board has approved the cost of £10m for a rebuilding project. The budget is analysed as follows:-

<u>Budget Area</u>	<u>£m</u>
Fees	2.0
Phase 1 Contract	4.0
Phase 2 Contract	2.5
Furniture & Equipment	1.0
Contingency	0.5
Total	10

1. A consultant is appointed at a cost of £95,000. Overall consultants costs are projected to be within the £2m fees budget area.

Action: Within Principal's delegated authority to approve.

2. A consultant is appointed at a cost of £0.5m. Overall consultants costs are projected to be within the £2m fees budget area.

Action: The appointment can be approved by Policy & Resources Committee (even though the usual contract approval limit for Policy & Resources Committee is £200,000) as the costs are within 10% variation for the budget area and the overall costs of the scheme are within the £10m total budget.

3. The fees for consultants total £2,150,000. The overall projected costs are within the total £10m budget.

Action: Policy & Resources Committee can approve the variation of £150,000 as it is within 10% variation for the budget area. The £150,000 is allocated from contingency.

4. The tender for the Phase 1 contract is £4.3m and the Phase 2 contract £1.9m

Action: Policy & Resources Committee can approve the additional cost for Phase 1 as it is within 10% for the budget area and the total projected costs are within the approved £10m. A budget virement would be made from Phase 2 to Phase 1.

5. The tender for the Phase 1 contract is £4.5m and the Phase 2 contract £1.9m

Action: The Board must consider approving the additional cost for Phase 1 as it is above 10% for the budget area. This is notwithstanding that the savings from Phase 2 can meet the additional costs of Phase 1. The Board would consider approving a virement from Phase 2 to Phase 1.